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FEDERAL MARITIME COMMISSION

46 CFR Parts 501 and 503

RIN: 3072-ZA03

DOCKET NO. 14-03

Requests for Testimony by Employees Relating to Official Information and Production of Official Records in Litigation

AGENCY: Federal Maritime Commission.

ACTION: Direct final rule.

SUMMARY: This regulation amends the Commission's provisions for release of public information and related delegation of authority by issuing procedures for requests for testimony by Federal Maritime Commission employees and production of official Commission records in litigation, and delegating responsibility for determinations relating to such procedures to the General Counsel. It generally provides that Commission employees may not appear as witnesses in connection with information acquired in the course of performing official duties, or produce Commission records in litigation, without the consent of the Commission. The intended effect of this regulation is to clarify the Commission's procedures, conserve the ability of the Commission to conduct official business, preserve its employee resources, minimize involvement in matters unrelated to its mission and programs, and maintain its impartiality. This regulation does not apply to Congressional inquiries, Federal court civil proceedings in which the United States is a party, or Freedom of Information Act and Privacy Act requests.

DATES: This rule is effective July 31, 2014 without further action, unless significant adverse comment is received by June 2, 2014. If significant adverse comment is received, the Federal Maritime Commission will publish a timely withdrawal of the rule in the *Federal Register*.

ADDRESSES: Submit comments to:

Karen V. Gregory, Secretary
Federal Maritime Commission
800 North Capitol Street, N.W.
Washington, D.C. 20573-0001
or e-mail non-confidential comments to: Secretary@fmc.gov
(e-mail comments as attachments preferably in Microsoft Word or PDF)

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

At present, Commission regulations do not specify procedures for its employees to respond to subpoenas or produce Commission records in private litigation. In the absence of such procedures, an employee could give testimony or provide records, diverting such employee from performing his/her duties, and potentially creating the appearance that the Commission is taking sides in private litigation. This regulation is intended to address this

situation by generally prohibiting both appearances and compliance with subpoenas unless authorized by the Commission, and setting forth procedures for handling such requests. The courts have recognized the authority of Federal agencies set procedures for dealing with such subpoenas. *United States ex rel. Touhy v. Ragen*, 340 U.S. 462 (1951); *see also Truex v. Allstate Ins. Co.*, 233 F.R.D. 188, 190 (D.D.C. 2006); *Bobreski v EPA*, 284 F. Supp. 2d 67, 73 (D.D.C. 2003).

This regulation describes procedures by which the Commission will make its employees and records available in response to subpoenas in Federal court civil proceedings in which the United States is not a party. The regulation does not apply to Congressional proceedings, or to Federal court civil proceedings in which the United States is a party. This regulation likewise does not apply to either Freedom of Information Act or Privacy Act requests. This regulation does not restrict the ability of its employees to appear as private citizens on their own time or while in an approved leave status, in proceedings that do not relate to Commission policies and programs.

This rule relates to internal agency management. Therefore, pursuant to 5 U.S.C. 553, notice and comment are not required and this rule may become effective after publication in the *Federal Register*. In a direct final rulemaking, an agency publishes a direct final rule in the *Federal Register* along with a statement that the rule will become effective unless the agency receives significant adverse comment within a specified period. The Commission is using a direct final rule for this rulemaking because it expects this regulation to be noncontroversial and because it clarifies the Commission's internal procedures. The Commission recognizes that parties may have information that could impact the Commission's views and intentions with respect to the proposed internal procedures, and the Commission intends to consider any

comments filed. The Commission will withdraw the rule if it receives significant adverse comment. Filed comments that are not adverse may be considered for modifications to parts 501 and 503 at a future date. If no significant adverse comment is received, the rule will become effective without additional action.

This direct final rule is not a “major rule” under 5 U.S.C. 804(2). Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, do not apply.

Further, in accordance with Executive Order 12988 on Civil Justice Reform, the Federal Maritime Commission has determined that this regulation does not unduly burden the judicial system, under *Touhy v. Ragen*, 340 U.S. 462, and meets the requirements of sections 3(a) and 3(b)(2) of the Executive Order.

Finally, the Commission has determined that this regulation imposes no new recordkeeping, reporting, or disclosure requirements on members of the public, which would constitute collections of information requiring approval by the Office of Management and Budget under the Paperwork Reduction Act, 44 U.S.C 3501, *et seq.*

List of Subjects

46 CFR Part 501

Administrative practice and procedure; Authority delegations (Government agencies)

46 CFR Part 503

Administrative practice and procedure, Courts, Government employees

Accordingly, the Federal Maritime Commission amends 46 CFR parts 501 and 503 to read as follows:

PART 501 – THE FEDERAL MARITIME COMMISSION -- GENERAL

1. The authority citation for part 501 continues to read as follows:

Authority: 5 U.S.C. 551-557, 701-706, 2903 and 6304; 31 U.S.C. 3721; 41 U.S.C. 414 and 418; 44 U.S.C. 501-520 and 3501-3520; 46 U.S.C. 301-307, 40101-41309, 42101-42109, 44101-44106; Pub. L. 89-56, 70 Stat. 195; 5 CFR Part 2638; Pub. L. 104-320, 110 Stat. 3870.

2. Amend §501.5 as follows:

- a. Remove paragraph (c)(1)(iii)(C) and redesignate paragraphs (c)(1)(iii)(D) through (F) as paragraphs (c)(1)(iii)(C) through (E), respectively.

- b. Revise paragraph (d)(9) to read as follows:

§501.5 Functions of the organizational components of the Federal Maritime Commission.

* * * * *

(d) * * *

(9) Reviews for legal sufficiency all adverse personnel actions, procurement activities, Freedom of Information Act, Privacy Act matters, requests for testimony by employees and production of official records in litigation and other administrative actions.

* * * * *

3. Revise §501.23 to read as follows:

§501.23 Delegation to the General Counsel.

The authority listed in this section is delegated to the General Counsel: authority to classify carriers within the meaning of section 3(8) of the Shipping Act of 1984 (46 U.S.C. 40102(8)), except where a carrier submits a rebuttal statement pursuant to §565.3(b) of this chapter; and authority to review for legal sufficiency all adverse personnel actions, procurement activities, Freedom of Information Act, Privacy Act matters, requests for testimony by employees and

production of official records in litigation and other administrative actions, pursuant to part 503 subpart E—Requests for Testimony by Employees Relating to Official Information and Production of Official Records in Litigation.

PART 503—PUBLIC INFORMATION

4. Revise the authority citation for part 503 to read as follows:

Authority: 5 U.S.C. 301, 552, 552a, 552b, 553; 31 U.S.C. 9701; 46 U.S.C. 301, 304; E.O. 13526 of January 5, 2010 (75 FR 707), sections 5.1(a) and (b).

5. Redesignate subparts E through H as subparts F through I respectively.

6. In newly redesignated subpart F, redesignate §§503.41 through 503.43 as §§503.48 through 503.50, respectively.

7. Add a new subpart E to read as follows:

Subpart E—Requests For Testimony by Employees Relating to Official Information and Production of Official Records in Litigation

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| 503.37 | Purpose and scope; definitions |
| 503.38 | General prohibition. |
| 503.39 | Factors to be considered in response to demands or requests. |
| 503.40 | Service of process and filing requirements. |
| 503.41 | Procedure when testimony or production of documents is sought. |
| 503.42 | Fees. |

Subpart E—Requests For Testimony by Employees Relating to Official Information and Production of Official Records in Litigation

§503.37 Purpose and scope; definitions.

(a) This subpart sets forth the procedures to be followed with respect to:

(1) Service of summonses and complaints or other requests or demands directed to the Federal Maritime Commission (Commission) or to any Commission employee or former employee in connection with litigation arising out of or involving the performance of official activities of the Commission; and

(2) The oral or written disclosure, in response to subpoenas, orders, or other requests or demands of judicial or quasi-judicial authority (collectively “demands”), whether civil or criminal in nature, or in response to requests for depositions, affidavits, admissions, responses to interrogatories, document production, or other litigation-related matters, pursuant to the Federal Rules of Civil Procedure, the Federal Rules of Criminal Procedure, or applicable state rules (collectively “requests”), of any material contained in the files of the Commission, any information relating to material contained in the files of the Commission, or any information acquired while the subject of the demand or request is or was an employee of the Commission, as part of the performance of that person’s duties or by virtue of that person’s official status.

(b) This subpart applies in all litigation in which the United States is not a party.

(c) For purposes of this subpart, the term employee includes:

(1) any current or former Commissioner or employee of the Commission;

(2) any other individual hired through contractual agreement or on behalf of the Commission or who has performed or is performing services under such agreement for the Commission;

(3) Any individual who served or is serving in any consulting or advisory capacity to the Commission, whether informal or formal.

(d) The Commission authorizes the General Counsel or the General Counsel's designee to make determinations under this section.

(e) For purposes of this subpart, the term litigation encompasses all pre-trial, trial, and post-trial stages of all judicial or administrative actions, hearings, investigations, or similar proceedings before courts, commissions, grand juries, or other judicial or quasi-judicial bodies or tribunals, whether criminal, civil, or administrative in nature. This subpart governs, *inter alia*, responses to requests for discovery, depositions, and other litigation proceedings, as well as responses to informal requests by attorneys or others in situations involving litigation. However, this subpart shall not apply to any claims against the Commission by Federal Maritime Commission employees (present or former), or applicants for Commission employment, for which jurisdiction resides with the U.S. Equal Employment Opportunity Commission; the U.S. Merit Systems Protection Board; the Office of Special Counsel; the Federal Labor Relations Authority; or a labor arbitrator operating under a collective bargaining agreement between the Commission and a labor organization representing Commission employees; or their successor agencies or entities.

(f) For purposes of this subpart, official information means all information of any kind, however stored, that is:

- (1) In the custody and control of the Commission;
- (2) Relates to information in the custody and control of the Commission; or
- (3) Was acquired by Commission contractors, employees, former employees or former contractors as part of their official duties or because of their official status within the Commission while such individuals were employed by or served on behalf of the Commission.

(g) Nothing in this subpart affects disclosure of information under the Freedom of Information Act (FOIA), 5 U.S.C. 552, the Privacy Act, 5 U.S.C. 552a, the Government in the Sunshine Act, 5 U.S.C. 552b, the Commission's implementing regulations, or pursuant to congressional subpoena.

(h) Nothing in this subpart affects the disclosure of official information to other federal agencies or Department of Justice attorneys in connection with:

(1) Litigation conducted on behalf or in defense of the United States, its agencies, officers, and employees; or

(2) Litigation in which the United States has an interest.

(i) This subpart is intended only to provide guidance for the internal operations of the Commission, and is not intended to, and does not, and may not be relied upon to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States.

§503.38 General prohibition.

(a) No employee or former employee of the Commission shall, in response to a demand or request, produce any material contained in the files of the Commission, or disclose any information relating to or based upon material contained in the files of the Commission, or disclose any information or produce any material acquired as part of the performance of that person's official duties or because of that person's official status, without prior approval of the Commission in accordance with §§503.39 and 503.40.

§503.39 Factors to be considered in response to demands or requests.

(a) The Commission will determine whether testimony or the production of documents will be authorized according to the following criteria:

(1) Statutory restrictions, as well as any legal objection, exemption, or privilege that may apply;

(2) Relevant legal standards for disclosure of nonpublic information and documents;

(3) Commission rules and regulations;

- (4) The public interest;
 - (5) Minimizing or preventing expenditures of Commission time and resources solely for private purposes.
 - (6) Minimizing the appearance of improperly favoring one litigant over another;
 - (7) Minimizing the possibility that the public will misconstrue variances between personal opinions of Commission employees and Commission policy; and
 - (8) Preserving the integrity of the administrative process.
- (b) [Reserved]

§503.40 Service of process and filing requirements.

(a) Service of summonses and complaints. (1) Except in cases in which the Commission is represented by legal counsel who have entered an appearance or otherwise given notice of their representation, only the General Counsel is authorized to receive and accept subpoenas, or other demands or requests directed to the Commission, or any component thereof, or its employees, or former employees, whether civil or criminal nature, for:

- (i) Material, including documents, contained in the files of the Commission;
 - (ii) Information, including testimony, affidavits, declarations, admissions, responses to interrogatories, or informal statements, relating to material contained in the files of the Commission or which any Commission employee acquired in the course and scope of the performance of his official duties;
 - (iii) Garnishment or attachment of compensation of current or former employees;
- or
- (iv) The performance or non-performance of any official Commission duty.

(2) All such documents should be delivered or addressed to the General Counsel, Office of the General Counsel, Federal Maritime Commission, 800 North Capitol Street, NW, Washington, DC, 20573.

(3) In the event that any subpoena, demand, or request is sought to be delivered to a Commission employee (including former employees) other than in the manner prescribed in paragraphs (a)(1) and (2) of this section, such attempted service shall be ineffective. Such employee shall, after consultation with the General Counsel:

(i) Decline to accept the subpoena, demand, or request; or

(ii) Return them to the server under cover of a written communication referring to the procedures prescribed in this part.

(4) Acceptance of such documents by the Office of the General Counsel does not constitute a waiver of any defenses that might otherwise exist with respect to service under the Federal Rules of Civil or Criminal Procedure, or other applicable laws, rules, or regulations.

(b) [Reserved]

§503.41 Procedure when testimony or production of documents is sought.

The Commission shall follow the procedures set forth in this part.

(a) If oral testimony is sought by a demand in any case or matter in which the United States is not a party, an affidavit, or, if that is not feasible, a statement by the party seeking the testimony or by his attorney, setting forth a summary of the testimony sought and its relevance to the proceeding, must be furnished to the Commission. Any authorization for testimony by a present or former employee of the Commission shall be limited to the scope of the demand as summarized in such statement.

(b) When information other than oral testimony is sought by a demand, the Commission shall request a summary of the information sought and its relevance to the proceeding.

(c) Permission to testify or to release documents in all cases will be limited to matters outlined in the affidavit or declaration described in §503.41(a) and (b), or to such matters as deemed appropriate by the Commission. If the Commission, in considering the factors in §503.39, allows the release of documents or testimony to be given by an employee, arrangements shall be made for the taking of testimony or receipt of documents by the method least disruptive to the employee's official duties. Testimony may, for example, be provided by affidavits, answers to interrogatories, written depositions, or depositions transcribed, recorded, or preserved by any other means allowable by law.

(d) Upon issuance of a final determination to not authorize testimony or release of Commission information by the Commission, the party or the party's counsel seeking testimony or documents may consult or negotiate with the Commission to refine and limit the demand.

§503.42 Fees.

(a) *Generally.* The Commission may condition the production of records or appearance for testimony upon advance payment of a reasonable estimate of the costs to the Commission.

(b) *Fees for records.* Fees for producing records will include fees for searching, reviewing, and duplicating records, costs of attorney time spent in reviewing the demand or request, and expenses generated by materials and equipment used to search for, produce, and copy the responsive information. Costs for employee time will be calculated on the basis of the hourly pay of the employee (including all pay, allowance, and benefits). Fees for duplication will be the same as those charged by the Commission in its regulations at subpart F of this part.

(c) *Witness fees.* Fees for attendance by a witness will include fees, expenses, and allowances prescribed by the court's rules. If no such fees are prescribed, witness fees will be determined based upon the rule of the Federal district court closest to the location where the witness will appear. Such fees will include cost of time spent by the witness to prepare for testimony, in travel, and for attendance at the legal proceeding.

(d) *Payment of fees.* The seeking party must pay witness fees for current Commission employees and any records certification fees by submitting to the General Counsel a check or money order for the appropriate amount made payable to the Treasury of the United States. In the case of testimony by former Commission employees, applicable fees must be paid directly to the former employee in accordance with 28 U.S.C. 1821, per diem and mileage, or other applicable statutes.

(e) *Certification (authentication) of copies of records.* The Commission may certify that records are true copies in order to facilitate their use as evidence. If certified records are sought, the request for certified copies shall be made at least 45 days before the date they will be needed. The request should be sent to the General Counsel. Fees for certification will be the same as those charged by the Commission in its regulations at subpart F of this part.

(f) *Waiver or reduction of fees.* The Commission may, upon a showing of reasonable cause, waive or reduce any fees in connection with testimony, production, or certification of records.

(g) *De minimis fees.* Fees will not be assessed if the total charge would be \$10.00 or less.

By the Commission

Karen V. Gregory

Secretary

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